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ABSTRACT

While costs are no longer reported to the Child Care Food Program on the monthly reimbursement voucher, Federal regulations for the program require that each participating sponsor operate a nonprofit food service and that any income accrued from the program be used solely for the conduct of improvement of the food service operation. Therefore, it is important that each sponsor maintain a record keeping system whereby the source documentation of applicable food service costs can be monitored. The information in this guide is provided to assist program sponsors in developing and maintaining an accountability system for financial management in their Child Care Food Program operation. Federal authorization and purpose of the program are discussed, and a glossary of important terms is provided. Financial management standards and guidelines for determining allowable costs are presented. Allowable operating costs (for food, delivery, labor, purchased services, and supplies), administrative costs (for planning, organizing, and supervising), and non-allowable costs are detailed. Appendices include suggested formats for recordkeeping. Monthly depreciation factors are given, and non-expendable food equipment is itemized. (Author/KH)

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CHILD CARE FOOD PROGRAM

FINANCIAL MANAGEMENT GUIDE

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INTRODUCTION

While costs are no longer reported to the Child Care Food Program on the monthly reimbursement voucher, federal regulations for the program require that each participating sponsor operate a nonprofit food service and that any income accrued from the program be used solely for the conduct or improvement of the food service operation. Therefore, it is important that each sponsor maintain a record keeping system whereby the source documentation of applicable food service costs can be monitored.

The information in this guide is provided to assist program sponsors in developing and maintaining an accountability system for financial management in their Child Care Food Program operation. The effective date of this guide is July 1, 1983 and the contents are subject to revision. As changes occur, each program sponsor will receive policy memorandum as notification of the change. The use of Attachments A1, A2, B, and C1 is optional and they may be adapted for agency use. Any questions regarding this guide may be addressed by contacting the Child Care Food Program office at (609) 292-8518.

The Child Care Food Program is a federal program of the United States Department of Agriculture, Food and Nutrition Service. It is operated in accordance with USDA policy, which does not permit discrimination because of race, color, national origin, handicap, or sex. Any person who believes that he or she has been discriminated against in any USDA-related activity should write immediately to the Secretary of Agriculture, Washington, D.C., 20250.

CHILD CARE FOOD PROGRAM

FINANCIAL MANAGEMENT GUIDE

I. AUTHORITY

The Child Care Food Program is authorized by section 17 of the National School Lunch Act, as amended. Program regulations issued by the United States Department of Agriculture are found in 7 CFR 226 The program is administered in New Jersey through the New Jersey State Department of Education. Any business concerning the Child Care Food Program should be addressed to:

Child Care Food Program
New Jersey State Department of Education
Division of Finance
Bureau of Child Nutrition Programs
CN 500
Trenton, New Jersey 08625

II. PURPOSE

Child Care Food Program funds are provided through the Department of Education to assist program sponsors in operating food service programs in nonprofit or proprietary (serving at least 25% Title XX funded children) agencies for children in nonresidential institutions which provide child care services. This instruction establishes program standards and guidelines for financial management to ensure that all costs claimed to the program are reasonable and necessary for effective and efficient program operation. It is designed to provide technical assistance to

sponsoring agencies in developing an accountability system for financial management which responds to their needs and meets federal and state requirements.

III. DEFINITIONS

Terms used in this instruction are those defined in 7 CFR 226.2. Definitions of other important terms are as follows:

Acquisition Cost - the net invoice price of personal property acquired by purchase. This property may include any attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. Ancillary charges such as taxes, duty, protective in-transit insurance, freight, or installation costs may be included in, or excluded from, acquisition cost in accordance with the sponsor's regular accounting practices.

Donated Items - the value of any donations used, whether food (including any USDA commodities), labor, supplies, food purchased with donated cash, or any other types of donations. Receipt of all donations must be documented and the value of any donated item may not be considered as an allowable cost to the program.

Enrolled Children - persons, ages birth up to 13, migrant children birth up to 16, and handicapped children, whose parent or guardian has submitted to the sponsor a signed document which indicates that the child is enrolled for child care.

Expendable Personal Property - all tangible personal property that has a useful expectancy of less than one year and an acquisition cost of less than $300 per item.

Food Service Management Company - an organization, other than a public or private nonprofit school, with which a sponsor may contract for preparing and, unless otherwise provided for, delivering meals, with or without milk for use in the program.

Income to the Program - funds used in a sponsor's food service program including, but not limited to, all monies, other than program payments, received from other federal, state, or local government sources; children's payments for meals and food service fees; income from any food sales to adults; any interest earned on program payments; and any other income including cash donations or grants from organizations or individuals.

Independent Center - a child care center or outside-school-hours center which enters into an agreement with the Child Care Food Program to assume final administrative and financial responsibility for program operations.

Inventory Adjustment - a form of voucher or record which briefly explains errors recorded in a previously reported inventory or loss of goods resulting from theft, fire, water, refrigeration breakdown, or product contamination. The record should be prepared by the person responsible for the safekeeping of the goods being reported. The closing inventory should be adjusted for the period immediately preceding it and should

reflect action by a designated reviewing authority. When approved to relieve all persons from a responsibility to repay costs of a loss, the value of an inventory adjustment can be classified as an operating cost.

Nonexpendable Personal Property - tangible personal property which has a useful expectancy of more than one year and acquisition cost of $300 or more per item. Each sponsor may use its own definition of nonexpendable personal property provided that such a definition would include all tangible personal property as defined herein.

Nonprofit Food Service - all food service operations conducted by the sponsor principally for the benefit of enrolled children, from which all of the program funds are used solely for the operation or improvement of such food service.

Non-Program Meals - meals served to children not enrolled in the Child Care Food Program and/or any non-program adults. Non-program meals may not be claimed for reimbursement.

Personal Property - property of any kind except real property. It may be tangible (having physical existence) or intangible (having no physical existence) such as patents, inventions, and copyrights.

Program Adult - an adult performing necessary food service or administrative labor (paid or donated) in support of the food service operation.

Program Adult Meals - meals served to program adults. A record of all program adult meals, by meal type, must be maintained. While these meals may not be claimed for reimbursement, the cost of preparing and serving the meals is an allowable program cost.

Program Costs - all allowable costs, both operating and administrative, that are necessary and reasonable for proper and efficient conduct of a food service under the program.

Program Payments - financial assistance in the form of reimbursement and/or advance payments paid or payable to a sponsor for both operating and administrative costs.

Sponsoring Organization - an organization which enters into an agreement with the Child Care Food Program to assume final administrative and financial responsibility for program operations in: 1) two or more child care centers or outside-school-hours centers, 2) any combination of child care centers, outside-school-hours centers, or day care homes, 3) a child care center or outside-school-hours center which is a legally distinct entity from the sponsoring organization, or 4) one or more day care homes.

IV. FINANCIAL MANAGEMENT STANDARDS

The following standards must be met by program sponsors in operating their financial management system:

1) That the application of program funds shall be readily identified by the continuous maintenance of updated records.

2) That financial statements are presented fairly and accurately.

3) That sponsors establish internal procedures which meet program objectives.

4) That sponsors maintain effective control over the accountability of all program funds, property, and other assets to ensure that they are safeguarded and used solely for authorized purposes.

5) That sponsors provide accurate and reliable financial information to federal and state government representatives.

V. BASIC GUIDELINES FOR DETERMINING ALLOWABLE COSTS

Allowable costs under the Child Care Food Program must meet the following general criteria:

1) Be reasonable and necessary for proper and efficient administration of the program and chargeable as a program cost within the guidelines of this instruction.

2) Be supported by proper source documents.

3) Be authorized or not prohibited under state or local laws or regulations.

4) Conform to any limitations or exclusions set forth in this instruction, federal laws or regulations, or the governing limitations as to types or amounts of cost items.

5) Not be chargeable to or included as a cost to any other federally financed program in either the current or prior period.

VI. COSTS

Allowable costs claimed to the Child Care Food Program are defined as the costs involved in purchasing, preparing, and serving meals in all food service operations conducted by the sponsor principally for the benefit of enrolled children, and in administering the program. These costs are allowable if they are properly documented and are not covered by other federal, state, and/or local government funds.

While costs are no longer reported to the Child Care Food Program on the monthly reimbursement voucher, federal regulations for the program require that each participating sponsor operate a nonprofit food service and that any income accrued from the program be used only for Child Care Food Program costs. The nonprofit status of each sponsor's food service operation will be monitored to ensure that all program funds are used solely for the conduct or improvement of the food service operation principally for the benefit of enrolled children. If such resources exceed the total operating cost for the agreement year, the Child Care Food Program will act to ensure that the sponsor improves the status of the nonprofit food service; this may require the repayment of program funds by the sponsor.

Program sponsors typically segregate their expenditures into operating and administrative costs. To the maximum extent practical, they identify each expenditure specifically with one of these functions and direct charge, except where joint costs exist. Joint costs, such as occupancy, telephone services, etc., which cannot be specifically identified to Child Care Food Program operation, may be prorated as direct costs to operation. When prorated costs are claimed, the sponsor must establish an allocation formula that is reasonable and necessary for proper program operation and submit it to the Child Care Food Program office for written approval prior to use.

In this instruction, program costs are classified as: 1) Operating Costs, and 2) Administrative Costs. Any questions concerning costs not specifically covered by this instruction should be addressed in writing to the Child Care Food Program office.

VII. OPERATING COSTS

Operating costs are expenses incurred by a sponsor in serving meals to enrolled children and program adults. Operating costs fall under five categories: 1) Food Costs, 2) Food Service Labor, 3) Non-Food Supplies, 4) Purchased Services, and 5) Depreciation. Sponsors are not required to claim costs in all of these categories; however, any cost claimed to the program must be specifically related to the food service operation and must be properly documented.

The following are specific examples of allowable operating costs and the documentation required to support these costs. If a cost is not included in this listing, written approval must be received from the Child Care Food Program office prior to claiming.

1. Food Costs

Food costs are expenditures for food used in meals served to enrolled children and program adults. Incoming transportation charges, distribution, storage, and handling charges for food used in the program are all allowable food costs.

All expenditures for food must be documented by dated, itemized invoices which identify the item, quantity purchased, unit price, and the supplier. Sponsors who purchase from suppliers such as a supermarket that do not provide itemized receipts must assume this responsibility. The item, unit price, and quantity purchased must be recorded by itemizing each individual receipt, attaching an itemized shopping list, or any other method which includes the required information. In addition, a record of returns, discounts, credits, and cancelled checks or other proof of payment must be maintained.

There are three acceptable methods of claiming food costs. The method selected must be used consistently. Sponsors may not use the first two methods described simultaneously.

1) Food Purchased - Under this system, a sponsor claims the cost of food purchased each month. This can be either costs incurred (whether the invoices received are paid that month or in future months) or the bills paid during the month (regardless of when the costs were incurred). These methods may not be used interchangeably.

2) Inventory System (Food Used) - Under this system a sponsor would determine the cost of food by using the following formula: beginning inventory plus purchases and/or other eligible costs minus credits minus inventory adjustments minus ending inventory equals cost of food used.

Inventory adjustments must be made when reductions of food in stock result from fire, water damage, spoilage, or other than normal usage. Minor reductions of less than $35 need not be recorded. Any losses covered by insurance are not allowable costs.

Attachments A1 and A2 may be used for taking inventory and computing the cost of food used.

3) Meals Delivered - For sponsors purchasing meals from a food service management company or a school food service authority, the amount claimed as food costs is based upon dated, daily delivery receipts provided by the supplier. Daily delivery receipts should be itemized as follows:

a) For prepackaged meals: receipts which designate the total number of meals delivered for each site.

b) For meals delivered family style: receipts which designate the specific food item, the number of portions of each item, and the portion size of each item.

For the cost of meals delivered to be allowable, a sponsor representative must verify the adequacy and number of meals delivered and must sign the daily delivery receipt. The same procedure must be followed if the sponsor picks up meals at the company or the school.

A monthly invoice detailing the number of meals delivered, by type, along with the total cost may be used for billing purposes. The total number of meals indicated on the invoice must, of course, equal the total number of meals listed on the daily delivery slips. It should be noted that this monthly invoice system may not be used in lieu of the daily delivery slips.

2. Food Service Labor

Food service labor is defined as any necessary labor performed to accomplish:

1) Menu planning, preparing and serving of program meals, and clean up.

2) Supervision of children during meal service.

3) On site preparation of records required for the program.

Food service labor costs include the amount of wages and fringe benefits, including the employer's share of Social Security withholding and retirement benefits, paid or incurred by the sponsor.

Documentation must be maintained for all labor costs claimed. The labor costs for personnel who spend their full time on the food service program (e.g. cook) must be documented by payroll records and canceled checks or other proof of payment. The costs for personnel who do not spend their full time on food service (e.g. teachers, custodian) must be prorated based on the time spent on the food service program.

There are three methods which may be used to document part-time labor costs:

1) Daily time and attendance logs detailing the time spent on the program by each employee each day (see Attachment B).

2) A copy of a work study covering at least a two week period in order to establish the average amount of time each employee spends on the program. This study must be done annually or whenever a significant change in responsibilities occurs.

3) An allocation formula for an employee paid by other federal, state, or local governmental sources for services that may duplicate Child Care Food Program reimbursement. The allocation formula must be submitted to the Child Care Food Program office for written approval prior to use.

In addition, payroll records, canceled checks, and/or other proofs of payment must also be maintained. If employees decline payment for their program labor, it must be considered donated and may not be claimed as a program cost.

3. Non-Food Supplies

The documented costs for non-food supplies, including any food service equipment item valued at $300 or less, purchased only for program needs are allowable costs. Non-food supplies also include paper supplies, clean-up supplies, dishes, utensils, etc.

The cost of non-food supplies claimed must be documented by dated, itemized invoices which identify the item, quantity purchased, unit price, and the supplier. Sponsors purchasing from suppliers that do not provide itemized receipts must assume this responsibility.

There are two acceptable methods of claiming costs of non-food supplies:

1) Non-Food Supplies Purchased - Under this system a sponsor claims the cost of non-food supplies purchased each month. This can be either costs incurred (whether the invoices received are paid that month or in future months) or the bills paid during the month (regardless of when the costs were incurred). These methods may not be used interchangeably.

2) Inventory System (Non-Food Supplies Used) - Under this system a sponsor would determine the cost of non-food supplies by using the following formula: beginning inventory plus purchases minus credits minus inventory adjustments minus ending inventory equals non-food supplies used. This procedure is essentially the same as the inventory system for determining the cost of food used. Attachments A1 and A2 may be used for this purpose.

4. Purchased Services

Purchased services are costs of services that are required for the food service operation. When supported by source documents and required specifically for the operation of a food service, these costs are allowable. Only the portion of the costs pertaining to the food service operation may be claimed. For example, to claim utilities, a professional from the utility company must prorate the

percentage of the total bill used by the food service operation. A record of the method of proration must be maintained.

Four types of purchased services may be claimed if adequate documentation is maintained:

1) The rental of food service equipment.

2) The maintenance and minor repair or upkeep of food service equipment. The repair or maintenance cannot add to the permanent value or prolong the life of the equipment but simply keep it in an efficient operating condition.

3) The portion of the cost of utilities, security, janitorial service and the like that pertains to the food service operation. The costs may not be claimed if they are included in the rent or other charges for space.

4) The rental of food service facilities.

5. Depreciation

Sponsors may claim depreciation of nonexpendable food service equipment which is purchased only for program needs, has a useful life of more than one year, and a purchase price of more than $300 per item; these depreciation costs may be claimed for a period of twelve years.

The monthly depreciation amount must be computed by using the following method:

1) Identify and list each applicable piece of nonexpendable equipment, including the serial number, on an accountable equipment schedule. Attachment C1 may be used for this purpose.

2) List the original cost of the equipment. If the original cost is unknown, Attachment C2 may be used. Arrive at a single total dollar figure for all nonexpendable equipment.

3) Use Attachment C3 to determine the appropriate depreciation factor (based on the number of months the sponsor operates during the year) and multiply by the total dollar figure determined. This will yield a monthly total figure for all nonexpendable equipment.

Depreciation of equipment is limited to the items listed in Attachment C4. Any items purchased using federal funds may be included in calculations for depreciation only to the extent that other funding was used in the purchase. For example, if a freezer was purchased for $2,000, with $1,500 funded through the Food Service Equipment Assistance program and $500 funded by the agency, calculations for depreciation must be based only on the agency matching funds of $500. Sponsors who claim items not listed in Attachment C4 must obtain written approval from the Child Care Food Program office.

Any piece of equipment that becomes more than 12 years old must be deleted from the schedule and any new equipment purchased should be added. The addition of equipment items to the list should be made only at the time of acquisition or upon the return to full use of items from storage. While equipment is in storage, it may not be depreciated.

For records maintenance purposes, the equipment schedule is a source document which must be retained for audit and/or review.

VIII. ADMINISTRATIVE COSTS

Administrative costs are costs incurred in planning, organizing, and supervising the food service operation. Administrative costs fall under two categories: 1) Administrative Labor, and 2) Administrative-Other. Sponsors are not required to claim these costs; however, any cost claimed to the program must be specifically for the administration of the food service operation and must be properly documented. It should also be noted that separate funding is not available for administrative costs.

Listed below are specific examples of allowable administrative costs and the documentation required to support these costs. Sponsors who claim a cost not listed, must contact the Child Care Food Program office for written approval prior to claiming.

1. Administrative Labor

Administrative labor is defined as any necessary labor performed to accomplish the following:

1) Planning - this generally consists of activities to survey both community needs and available resources so that the application and program agreement may be completed. More specifically this would include: establishing eligibility, completing the management plan, negotiating the program agreement, etc.

2) Organizing - this generally consists of annually assembling and coordinating the resources required to operate the program. More specifically this would include: hiring staff, conducting required training, procuring facilities and equipment, negotiating specifications and contracts with suppliers, etc.

3) Supervising - this generally consists of day-to-day activities necessary for maintaining acceptable program operations in accordance with the program agreement. More specifically this would include monitoring the record keeping system, preparing the monthly reimbursement voucher, conducting any required monitoring of sites, etc.

Administrative labor costs include the amount of wages and fringe benefits, including the employer's share of Social Security withholding and retirement benefits, paid or incurred by the sponsor.

Documentation must be maintained for all administrative labor costs being claimed. The labor cost for personnel who spend their full time on the food service program (e.g. nutritionist) must be documented by payroll records and canceled checks or other proof of payment. The costs for personnel who do not spend their full time on food service (e.g. director, accountant, secretary) must be prorated based on the time spent on the food service program.

There are three methods which may be used to document part-time labor costs:

1) Daily time and attendance logs detailing the time spent on the program by each employee each day (see Attachment B).

2) A copy of a work study covering at least a two week period in order to establish the average amount of time each employee spends on the program. This study must be done annually or whenever a significant change in responsibilities occurs.

3) An allocation formula for an employee paid by other federal, state, or local governmental sources for services that may duplicate Child Care Food Program reimbursement. The allocation formula must be submitted to the Child Care Food Program office for written approval prior to use.

In addition, payroll records, canceled checks, and/or other proofs of payment must also be maintained. If employees decline payment for

their program labor, it must be considered donated and may not be claimed as a program cost.

2. Administrative-Other

Administrative-other costs are non-labor costs necessary for support of the administration of the food service operation. Properly documented administrative-other costs of items purchased or procured only for program needs are allowable costs. When joint costs exist (e.g. rent, telephone services), only the portion of costs pertaining to the program may be claimed. Administrative-other items include, but are not limited to: accounting services, communications such as telephone costs, stamps, mileage, printing and reproduction, procurement services, rental of office equipment and space used in support of program administrative activities, taxes, etc.

There are two acceptable methods of claiming administrative-other costs:

1) Actual Administrative-Other Costs - Under this system a sponsor claims the actual cost of any items purchased each month. This can be either costs incurred (whether invoices received are paid in that month or in future months) or the bills paid during the month (regardless of when the costs were incurred). These methods may not be used interchangeably. In order to claim these costs, they must be documented by dated, itemized invoices which identify the item, quantity purchased, unit

price, and the supplier. Sponsors purchasing from suppliers that do not provide itemized receipts must assume this responsibility.

2) Direct Allocation of Costs - Under this system, any joint costs, such as occupancy, telephone services, etc., which cannot be specifically identified as a program administrative cost, may be prorated as direct costs to administration. When prorated costs are claimed, the sponsor must establish an allocation formula that is reasonable for proper program operation and submit it to the Child Care Food Program office for written approval prior to use.

IX. NON-ALLOWABLE COSTS

There are a number of costs which may not be claimed as either operating or administrative costs. These include, but are not limited to:

1) Fines and penalties. Costs resulting from violations of or failure to comply with federal, state, or local laws and/or regulations.

2) Bad debts.

3) Capital expenditures for: land, buildings or facilities; equipment costing over $300 with a useful life of more than one year; repairs which materially increase the value or useful life of equipment; vehicles; funds received from the Food Service Equipment Assistance program.

4) Contingency funds.

5) The value of donations of any kind.

6) Entertainment costs.

7) Equipment depreciation for 1) fully depreciated nonexpendable equipment; 2) nonexpendable equipment not in use; 3) the portion of equipment purchased with federal funds; or 4) donated equipment.

8) Fund raising.

9) Interest and/or other financial costs.

10) Rental or lease costs which include an option to purchase.

11) Rental fees on property owned by the sponsor.

12) Licensing or approval standards or requirements to maintain a license are considered external to the food service operation and are non-allowable costs.

X. RECORDS RETENTION

All records pertaining to the Child Care Food Program, including those documenting allowable program costs, must be retained for a period of three years after the end of the agreement year to which they pertain. If an audit is conducted and the audit findings have not been resolved, the records shall be retained for as long as required to resolve the audit findings.

Attachment A1

CHILD CARE FOOD PROGRAM
COST OF FOOD/SUPPLIES USED WORKSHEET

This is a suggested format for calculating the cost of food/supplies used, based upon inventory valuation summaries.

	Food Items	Non-Food Supplies	Donated Commodities
A. Total value of beginning inventory.	$_____	$_____	$_____
B. Total value of supply received during the month. (from delivery invoices)	_____	_____	_____
C. Total items A and B. This is the total value of food/supplies available during the month.	_____	_____	_____
D. Total value of ending inventory.	_____	_____	_____
E. Subtract item D from item C. This is the total unadjusted value of food/supplies for the month.	_____	_____	_____
F. Enter the total inventory adjustment value. *(positive or negative)	_____	_____	_____
G. Subtract item F from item E. This is the total adjusted value of food/supplies used during the month.	$_____	$_____	$_____

*this entry should reflect the total value of food/supplies lost, stolen, or spoiled during the month

Attachment A2

CHILD CARE FOOD PROGRAM INVENTORY RECORD SHEET			Agreement Number: ____-___-____-___	
Sponsor Name and Address:			Date: Mo.____ Yr.____	
Item	Size and Description (can, lb., case, etc.)	Number of Units	Unit Cost	Total Cost

Total (beginning inventory)	
Total (ending inventory)	

Attachment B

CHILD CARE FOOD PROGRAM PART-TIME LABOR LOG

☐ Food Service Labor ☐ Administrative Labor Month 6

Employee Name	Days of the Month (indicate below the number of hours spent each day on the Child Care Food Program by each employee listed)																							Total # Hrs. on CCFP	X Hourly Wage	Total Dollar Amount
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	26	27	28	29	30	31				
31																								TOTALS		32
																								Other Costs (e.g. fringe, taxes, etc.)		
																								Total Amount Charged to CCFP		

Attachment B

Attachment C1

CHILD CARE FOOD PROGRAM
NONEXPENDABLE EQUIPMENT DEPRECIATION SCHEDULE

Agreement Number

____-___-____-___

Name of Sponsor

Type of Equipment

☐ Food Service Equipment

☐ Vehicles

Item (for each piece of equipment with an original purchase price of more than $300 describe by listing name, serial number, size or capacity, and energy source)	Mo. and Yr. Into Service	Aquisition Cost	Life Termination Date	Deletion from Schedule (✓)					Amt. of Federal Funds Used to Meet Aquisition Cost
				Sale	Storage	Age	Other	Mo. and Yr. Out of Service	

Attachment C2

CHILD CARE FOOD PROGRAM
CHART FOR ESTIMATING ORIGINAL COST OF FOOD SERVICE EQUIPMENT

1. Obtain the current cost of replacing on hand food service equipment from a local supplier.
2. Determine the age of the food service equipment on hand.
3. Locate the current cost in the "Original Cost Estimate" column. Read across to the age of the equipment. The figure in that box is the estimated original purchase price and should be used for computing depreciation. Interpolate to the nearest $100 when necessary.

Original Cost Estimate	Age of Equipment in Years											
	1	2	3	4	5	6	7	8	9	10	11	12
$ 100	96	92	88	84	80	76	74	72	70	68	66	64
200	192	184	176	168	160	152	148	144	140	136	132	128
300	288	276	264	252	240	228	222	216	210	204	198	192
400	384	368	352	336	320	304	296	288	280	272	264	256
500	480	460	440	420	400	380	370	360	350	340	330	320
1,000	960	920	880	840	800	760	740	720	700	680	660	640
1,500	1,440	1,380	1,320	1,260	1,200	1,170	1,140	1,110	1,080	1,050	1,020	990
2,000	1,920	1,840	1,760	1,680	1,600	1,560	1,520	1,480	1,440	1,400	1,360	1,320
2,500	2,400	2,300	2,200	2,100	2,000	1,950	1,900	1,850	1,800	1,750	1,700	1,650
3,000	2,880	2,760	2,640	2,520	2,400	2,340	2,280	2,220	2,160	2,100	2,040	1,980
4,000	3,840	3,680	3,520	3,360	3,200	3,120	3,040	2,960	2,880	2,800	2,720	2,640
5,000	4,800	4,600	4,400	4,200	4,000	3,900	3,800	3,700	3,600	3,500	3,400	3,300
6,000	5,760	5,520	5,280	5,040	4,800	4,680	4,560	4,440	4,320	4,200	4,080	3,960
7,000	6,720	6,440	6,160	5,880	5,600	5,460	5,320	5,180	5,040	4,900	4,760	4,620
8,000	7,680	7,360	7,040	6,720	6,400	6,240	6,080	5,920	5,760	5,600	5,400	5,200
9,000	8,640	8,280	7,920	7,560	7,200	7,020	6,840	6,660	6,480	6,300	6,120	5,940
10,000	9,600	9,200	8,800	8,400	8,000	7,800	7,600	7,400	7,200	7,000	6,800	6,600
20,000	19,200	18,400	17,600	16,800	16,000	15,600	15,200	14,800	14,400	14,000	13,600	13,200
30,000	28,800	27,600	26,400	25,200	24,000	23,400	22,800	22,200	21,600	21,000	20,400	19,800
40,000	38,400	36,800	35,200	33,600	32,000	31,200	30,400	29,600	28,800	28,000	27,200	26,400
50,000	48,000	46,000	44,000	42,000	40,000	39,000	38,000	37,000	36,000	35,000	34,000	33,000

Attachment C2

Attachment C3

CHILD CARE FOOD PROGRAM
MONTHLY DEPRECIATION FACTORS FOR NONEXPENDABLE EQUIPMENT

.007 (12-month operation)

.008 (11-month operation)

.008 (10-month operation)

.009 (9-month operation)

.010 (8-month operation)

.012 (7-month operation)

Example:

The total original cost of all nonexpendable food preparation, serving, and related equipment is $9,000 (including installation and delivery cost), and the depreciation factor is .007 per month (Sponsor operates 12 months).

$9,000.00 (value of equipment)
X .007 (depreciation factor, 12-month operation)
$ 63.00 (monthly depreciation)

In this example, $63 would be added to other allowable monthly costs.

MONTHLY DEPRECIATION FACTORS FOR AUTOMOTIVE EQUIPMENT

Four-Year Life Expectancy. Includes light trucks (empty weight less than 13,000 pounds) and tractor units (over the road).

.0208 (12-month operation)

.0227 (11-month operation)

.0250 (10-month operation)

.0278 (9-month operation)

.0313 (8-month operation)

.0357 (7-month operation)

Six-Year Life Expectancy. Includes heavy trucks (empty weight more than 13,000 pounds) and trailers.

.0139 (12-month operation)

.0152 (11-month operation)

.0167 (10-month operation)

.0185 (9-month operation)

.0208 (8-month operation)

.0238 (7-month operation)

Attachment C4

CHILD CARE FOOD PROGRAM
NONEXPENDABLE FOOD SERVICE EQUIPMENT ITEMS

Food Preparation Equipment

- Kettles
- Ranges
- Steamers
- Ovens
- Tilting Braising Pans
- Mixers
- Cutters and Choppers
- Slicers
- Proof Cabinets
- Deep Fat Fryers

Refrigeration and Storage Equipment

- Refrigerators
- Freezers
- Shelving
- Scales
- Hot and Cold Holding Cabinets

Dishwashers, Sinks and Related Equipment

- Dishwashers
- Dishtables
- Garbage Disposals
- Compactors
- Sanitizing Equipment
- Booster Heaters
- Sinks

Serving and Dining Equipment

- Steam Tables
- Serving Counters
- Milk Coolers
- Milk Dispensers
- Standard Dining Tables with Chairs
- Mobile Folding Tables with Chairs or Benches

Transport Equipment

- Cabinets (hot and cold foods)
- Carriers (hot and cold foods)
- Special Purpose Vehicle (to the extent that it is used for transporting food)

Mobile Equipment

- Carts
- Dollies
- Racks

Miscellaneous

- Work Tables
- Bakers' Tables
- Cash Registers
- Milk Shake Machines
- Steam Generators
- Exhaust Ventilators
- Electronic Ticket Tabulators